(b) to (d) Do not arise.

Amendment in Banking Regulation Act, 1949

2942. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be plesed to state:

(a) whether it is a fact that Government are considering a proposal to amend the Banking Regulation Act, 1949 so that the regulation and supervision of urban cooperative banks may be vested exclusively with the Reserve Bank of India;

(b) if so, the details thereof and the reasons therefore; and

(c) by when proposed amendment is likely to be put in place?

THE MINISTER OF STATE IN MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) Many expert Committees have recommended that in order to strengthen Co-operative Banks, it is essential to bring their banking activities totally under supervision of Reserve Bank of India and remove the dual control of State Governments and Reserve Bank of India. Government of India is holding consultation with State Governments and trying to persuade them to make necessary amendments in the State Co-operative Acts.

Diversion of loan corporate houses

2943. SHRI PREM CHAND GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that loans obtained by some corporate houses from financial institutions had not been used for the purposes they were taken and large sums of money were either siphoned out or diverted;

(b) whether due to siphoning or diversion of funds many of the projects for which loans were taken by these corporate houses either remain incomplete or became sick units;

(c) whether on becoming sick, financial institutions granted and

disbursed further loans at concessional rates for their restructing or rehabilitation; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) The information is being collected and will be laid on the Table of the House to the extent available.

World Bank Fund for reconstruction in Orissa

2944. SHRI ANANTA SETHI: Will the Minister of FINANCE be pleased to state:

(a) whether the State Government of Orissa had sought additional fund from World Bank to undertake post cyclone reconstruction work in that State;

(b) if so, whether the World Bank has sanctioned any fund for the above purpose;

(c) if so, the details thereof; and

(d) what are the other financial organizations from India and abroad which have extended financial assistance to Orissa for the above purpose?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHED VIKHE PATIL): (a) Government of India has asked World Bank to finance cyclone reconstruction work in Orissa.

(b) No, the project is still under preparation and appraisal.

(c) The proposed project will be for about US$ 25 million.

(d) The other financial organisations that have extended financial assistance to Orissa for cyclone reconstruction purpose include DFID (UK) and UNDP.